GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2133
ANSWERED ON:11.08.2006
MERGER OF BANKS
Barad Shri Jashubhai Dhanabhai;Khaire Shri Chandrakant Bhaurao;Rajendran Shri P.;Reddy Shri Karunakara G.;Sidhu Shri Navjot Singh

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of the Government to merge one nationalised bank with the other nationalised bank and a private bank with nationalised bank;

(b) if so, the details thereof;

(c) whether the Government has prepared a draft merger plan;

(d) if so, the details thereof; and

(e) the steps being taken by the Government to protect the interest of the staff and depositors?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL) :

(a) and (c) No such proposal is presently under consideration of the Government. Further, the Government is of the view that such a proposal needs to emanate from the concerned banks, themselves.

(b) and (d) Do not arise,

(e) The Government has advised the banks that before considering any merger proposal, the Unions (of Banks) may be suitably sensitised on the need and advantages of consolidation and their apprehensions may be allayed. Further, while supporting any merger proposal, Government will ensure that the interests of the stakeholders and employees of merging banks are adequately protected.